



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

September 13, 2016

Motion 14731

Proposed No. 2016-0455.2

Sponsors Upthegrove

1 A MOTION of the county council approving a purchase
2 contract for the county's Sewer Improvement and
3 Refunding Revenue Bonds, 2016, Series B, in the
4 aggregate principal amount of \$499,655,000, establishing
5 certain terms of such bonds, and approving a plan of
6 refunding from certain proceeds of such bonds, all in
7 accordance with Ordinance 18111 and Ordinance 18116.

8 PREAMBLE

9 Pursuant to Ordinance 15385 and Motion 12389, the county council
10 authorized the issuance of the county's Sewer Revenue and Refunding
11 Bonds, 2006 (Second Series) ("the 2006 Bonds") to finance the
12 construction of improvements to the System, to refund certain outstanding
13 obligations of the System for debt service savings, and to pay the costs of
14 issuing the 2006 Bonds.

15 The county reserved the right to redeem the 2006 Bonds maturing on or
16 after January 1, 2018, in whole or in part at any time on or after January 1,
17 2017, at the price of par plus accrued interest, if any, to the date fixed for
18 redemption.

19 There are presently outstanding \$120,895,000 aggregate principal amount
20 of 2006 Bonds maturing on January 1 of each of the years 2018 through
21 2026, inclusive, 2031, and 2036, bearing interest at rates ranging from
22 4.125% to 5.00% ("the Refunded 2006 Bonds").

23 Pursuant to Ordinance 16868 and Motion 13272, the county council
24 authorized the issuance of the county's Sewer Revenue and Refunding
25 Bonds, 2010 ("the 2010 Bonds") to finance the construction of
26 improvements to the System, to refund certain outstanding bonds of the
27 System, to pay capitalized interest, to fund a deposit to the Parity Bond
28 Reserve Account, and to pay the costs of issuing the 2010 Bonds.

29 The county reserved the right to redeem the 2010 Bonds maturing on or
30 after January 1, 2021, in whole or in part, at any time on or after July 1,
31 2020, at the price of par plus accrued interest, if any, to the date fixed for
32 redemption.

33 There are presently outstanding \$133,780,000 aggregate principal amount
34 of certain 2010 Bonds maturing on January 1 of each of the years 2036,
35 2040, 2045, and 2050, bearing interest at rates ranging from 4.25% to
36 5.00% ("the Refunded 2010 Bonds").

37 Pursuant to Ordinance 16868 and Motion 13406, the county council
38 authorized the issuance of the county's Sewer Revenue Bonds, 2011 ("the
39 2011 Bonds") to finance the construction of improvements to the System,
40 to fund a deposit to the Parity Bond Reserve Account, and to pay the costs
41 of issuing the 2011 Bonds.

42 The county reserved the right to redeem the 2011 Bonds maturing on or
43 after January 1, 2022, in whole or in part, at any time on or after January
44 1, 2021, at the price of par plus accrued interest, if any, to the date fixed
45 for redemption.

46 There are presently outstanding \$98,135,000 aggregate principal amount
47 of certain 2011 Bonds maturing on January 1 of each of the years 2022
48 through 2032, inclusive, 2034, 2037, and 2041, bearing interest at rates
49 ranging from 5.00% to 5.25% ("the Refunded 2011 Bonds").

50 Pursuant to Ordinance 17111 and Motion 13535, the county council
51 authorized the issuance of the county's Sewer Revenue and Refunding
52 Bonds, 2011 Series B ("the 2011B Bonds") to finance the construction of
53 improvements to the System, to refund certain outstanding bonds of the
54 System, to fund a deposit to the Parity Bond Reserve Account, and to pay
55 the costs of issuing the 2011B Bonds.

56 The county reserved the right to redeem the 2011B Bonds maturing on or
57 after January 1, 2022, in whole or in part, at any time on or after January
58 1, 2021, at the price of par plus accrued interest, if any, to the date fixed
59 for redemption.

60 There are presently outstanding \$121,950,000 aggregate principal amount
61 of certain 2011B Bonds maturing on January 1 of each of the years 2022
62 through 2031, inclusive, 2034, and 2041, bearing interest at rates ranging
63 from 3.00% to 5.25% ("the Refunded 2011B Bonds").

64 Pursuant to Ordinance 17111 and Motion 13573, the county council
65 authorized the issuance of the county's Sewer Revenue Refunding Bonds,
66 2011 Series C ("the 2011C Bonds") to refund certain outstanding bonds of
67 the System and to pay the costs of issuing the 2011C Bonds.

68 The county reserved the right to redeem the 2011C Bonds maturing on
69 January 1, 2035, in whole or in part, at any time on or after January 1,
70 2021, at the price of par plus accrued interest, if any, to the date fixed for
71 redemption.

72 There are presently outstanding \$15,960,000 aggregate principal amount
73 of certain 2011C Bonds maturing on January 1, 2035, bearing interest at
74 the rate of 5.00% ("the Refunded 2011C Bonds," and together with the
75 Refunded 2006 Bonds, the Refunded 2010 Bonds, the Refunded 2011
76 Bonds, and the Refunded 2011B Bonds, "the 2016 Refunded Bonds").

77 Pursuant to Ordinance 18116, passed on September 21, 2015 ("the
78 Refunding Ordinance"), the county council authorized, among other
79 things, the issuance of one or more series of its sewer revenue bonds to
80 refund certain outstanding sewer revenue bonds of the county, including
81 the 2006 Bonds, the 2010 Bonds, the 2011 Bonds, the 2011B Bonds, and
82 the 2011C Bonds.

83 The county has determined it is in the best interest of the county and the
84 ratepayers of the System to modify the debt service or reserve
85 requirements, sources of payment, covenants or other terms of the 2016
86 Refunded Bonds.

87 Pursuant to Ordinance 18111, passed on September 21, 2015 ("the
88 Improvement Ordinance"), the county council authorized the issuance of
89 one or more series of its sewer revenue bonds and limited tax general
90 obligation bonds (payable from sewer revenues) in an aggregate principal
91 amount of not to exceed \$350,000,000 to provide funds for acquiring and
92 constructing improvements to the System.

93 The Refunding Ordinance and the Improvement Ordinance (together, "the
94 Ordinances") provide that such bonds may be publicly sold in one or more
95 series, as Parity Bonds or Parity Lien Obligations, as Tax-Exempt Bonds
96 or otherwise, and by negotiated sale or by competitive bid, as determined
97 by the Finance Director in consultation with the county's financial advisor.

98 The Finance Director has determined that a series of bonds authorized
99 pursuant to the Ordinances, designated as the county's Sewer
100 Improvement and Refunding Revenue Bonds, 2016, Series B, in the
101 aggregate principal amount of \$499,655,000 ("the 2016B Bonds"), be sold
102 as provided in this motion.

103 The 2016B Bonds are the second series of bonds issued pursuant to the
104 Improvement Ordinance; the aggregate principal amount of the Sewer
105 Improvement and Refunding Revenue Bonds, 2015, Series B, issued
106 pursuant to the Improvement Ordinance was \$71,900,000 ("the 2015B
107 Bonds"). The aggregate principal amount of the 2016B Bonds to be
108 issued pursuant to the Improvement Ordinance is \$42,595,000; and that

amount, added to the amount of the 2015B Bonds, does not exceed \$350,000,000.

To effect the refunding of the 2016 Refunded Bonds in the manner that will be most advantageous to the county, it is found necessary and advisable that a portion of the proceeds of the 2016B Bonds be deposited with the Escrow Agent (as defined in the Refunding Ordinance) and held in an irrevocable trust account for the benefit of the holders of the 2016 Refunded Bonds.

Pursuant to the Ordinances, a preliminary official statement dated August 29, 2016, has been prepared and distributed for the sale of the 2016B Bonds, and the Finance Director has negotiated the sale of the Bonds to Citigroup Global Markets Inc., on behalf of itself and as representative of the other underwriters (collectively, "the Underwriters") named in the bond purchase contract attached as Attachment A to this motion ("the Purchase Contract").

It is in the best interest of the county that the 2016B Bonds be sold to the Underwriters on the terms set forth in the Purchase Contract, the Ordinances, and this motion.

BE IT MOVED BY THE COUNCIL OF KING COUNTY:

A. **Definitions.** Capitalized words that are used in this motion but not defined in this motion have the meanings set forth in the Ordinances for all purposes of this motion, unless some other meaning is plainly intended. The words and terms defined in the preamble to this motion, as used in this motion, have the meanings assigned such

terms in the preamble to this motion, for all purposes of this motion, unless some other meaning is plainly intended. The following words and terms as used in this motion have the following meanings for all purposes of this motion, unless some other meaning is plainly intended.

"2016 Refunded Bonds" means the outstanding 2016 Refunded Bonds described in Attachment C to this motion.

"2016 Refunding Plan" means:

1. the deposit with the Escrow Agent of sufficient proceeds of the 2016B Bonds, together with other money of the county, if necessary;
2. the purchase by the Escrow Agent of the Acquired Obligations;
3. the application by the Escrow Agent of sufficient amounts held by it to the payment of interest on the Refunded 2006 Bonds when due up to and including January 1, 2017;
4. the call, payment and redemption on January 1, 2017, of all of the Refunded 2006 Bonds at a price of par;
5. the application by the Escrow Agent of sufficient amounts held by it to the payment of interest on the Refunded 2010 Bonds when due up to and including July 1, 2020;
6. the call, payment and redemption on July 1, 2020, of all of the Refunded 2010 Bonds at a price of par;
7. the application by the Escrow Agent of sufficient amounts held by it to the payment of interest on the Refunded 2011 Bonds, the Refunded 2011B Bonds, and the Refunded 2011C Bonds when due up to and including January 1, 2021;

155 8. the call, payment and redemption on January 1, 2021, of all of the
156 Refunded 2011 Bonds, the Refunded 2011B Bonds, and the Refunded 2011C Bonds at a
157 price of par; and

158 9. the payment of the costs of issuing the 2016B Bonds and the costs
159 of carrying out the foregoing elements of the 2016 Refunding Plan.

160 "Acquired Obligations" means the United States Treasury Certificates of
161 Indebtedness, Notes, and Bonds-State and Local Government Series or other Government
162 Obligations described in the Escrow Deposit Agreement and purchased to accomplish the
163 refunding of the 2016 Refunded Bonds as authorized by the Refunding Ordinance and in
164 accordance with the ordinances authorizing the issuance of the 2016 Refunded Bonds.

165 "Escrow Deposit Agreement" means an Escrow Deposit Agreement between the
166 county and the Escrow Agent substantially in the form of that which is on file with the
167 clerk of the county council and by this reference incorporated in this motion.

168 **B. Approval of Bond Purchase Contract and Authorization of 2016B**
169 **Bonds.** The issuance of the 2016B Bonds, designated as set forth in the recitals of this
170 motion, and the terms and conditions thereof as set forth in the Purchase Contract, are
171 hereby ratified and confirmed, and the Purchase Contract is hereby approved. The 2016B
172 Bonds will be dated their date of issue and delivery, will be subject to optional
173 redemption, will mature on the dates and in the amounts, and will bear interest at the
174 rates, all as specified in Attachment B to this motion. The 2016B Bonds shall conform in
175 all other respects to the terms and conditions specified in the Purchase Contract and the
176 Ordinances.

177 C. **Satisfaction of Parity Conditions.** In accordance with the Ordinances
178 and the provisions of the Ordinances authorizing the issuance of the outstanding Parity
179 Bonds, which permit the issuance of Future Parity Bonds upon compliance with the
180 conditions set forth therein, the county council hereby finds and determines, as follows:

181 1. There is not now, and when the 2016B Bonds are issued there will
182 not then be, any deficiency in the Parity Bond Fund or any account therein.

183 2. All money held in the Refunding Account will be used to pay the
184 principal of and interest on the 2016 Refunded Bonds.

185 3. The Ordinances provide for payment of the principal of and
186 interest on the 2016B Bonds out of the Parity Bond Fund.

187 4. The amount that will be on deposit in the Parity Bond Reserve
188 Account at the Closing of the 2016B Bonds will satisfy the Reserve Requirement,
189 without the need for any additional deposit.

190 5. The county will have on file at the Closing of the 2016B Bonds a
191 certificate of the Finance Director demonstrating that during any 12 consecutive calendar
192 months out of the immediately preceding 18 calendar months Net Revenue was at least
193 equal to 1.25 times the amount required to pay, in each year that the 2016B Bonds will be
194 outstanding, the Annual Parity Debt Service for such year.

195 6. The Finance Director will provide to the registered owner of the
196 county's Junior Lien Variable Rate Demand Sewer Revenue Bond, Series 2012, a
197 certificate showing that Net Revenue in any 12 consecutive months out of the most recent
198 18 months preceding the issuance of the 2016B Bonds, based on financial statements of
199 the System prepared by the county, is at least equal to 1.0 times the Annual Debt Service

for the 2016B Bonds and all then outstanding obligations of the System secured by a lien on Revenue of the System, in each year during the life of the 2016B Bonds.

The applicable conditions for Future Parity Bonds having been complied with in connection with the issuance of the 2016B Bonds, the pledges contained in the Ordinances of Revenue of the System to pay and secure the payment of the 2016B Bonds will constitute a lien and charge on Revenue of the System equal in rank with the lien and charge on the Revenue of the System to pay and secure the payment of the outstanding Parity Bonds.

D. Refunding and Redemption of 2016 Refunded Bonds.

1. **2016 Refunding Plan.** In accordance with Sections 16 and 28 of the Refunding Ordinance, the Finance Director has determined, in consultation with the county's financial advisor, that a portion of the proceeds of the 2016B Bonds will be used to refund the 2016 Refunded Bonds pursuant to the 2016 Refunding Plan, which is ratified and confirmed hereby.

As provided in Section 16 of the Refunding Ordinance, the King County 2016 Series B Sewer Revenue Bonds Refunding Account ("the Refunding Account") will be established and maintained with the Escrow Agent. A portion of the proceeds of the 2016B Bonds (exclusive of accrued interest, if any, which will be deposited into the Debt Service Account in the Parity Bond Fund) will be irrevocably deposited with the Escrow Agent in the Refunding Account and used, together with other funds of the county, if necessary, to carry out the 2016 Refunding Plan.

The appointment of U.S. Bank National Association as Escrow Agent is hereby ratified and confirmed. In accordance with Section 16.B. of the Refunding Ordinance,

the Finance Director is authorized and directed to enter into the Escrow Deposit Agreement in a form approved by the county's bond counsel.

The proceeds of the 2016B Bonds and other money of the county remaining in the Refunding Account after providing for the necessary beginning cash balance will be utilized to pay expenses of the Escrow Agent and other costs of issuing the 2016B Bonds. Payment of the costs of issuing the 2016B Bonds may be provided for in the Escrow Deposit Agreement or in a separate agreement, as the Finance Director may determine.

The county may, from time to time, transfer, or cause to be transferred, from the Refunding Account any money not thereafter required to carry out the 2016 Refunding Plan, subject to the provisions of the Escrow Deposit Agreement, or if not therein provided, then subject to verification in writing by an independent certified public accountant that the transfer will not result in inadequate funds being available to make the required payments therefrom.

2. **Redemption of 2016 Refunded Bonds.** The county hereby irrevocably sets aside sufficient money to carry out the 2016 Refunding Plan.

The county hereby defeases and calls the Refunded 2006 Bonds for redemption on January 1, 2017. The county hereby defeases and calls the Refunded 2010 Bonds for redemption on July 1, 2020. The county hereby defeases and calls the Refunded 2011 Bonds, the Refunded 2011B Bonds, and the Refunded 2011C Bonds, for redemption on January 1, 2021.

Each such defeasance and call for redemption of the 2016 Refunded Bonds will be irrevocable after the final establishment of the Refunding Account and delivery of the requisite money to the Escrow Agent. The Finance Director is authorized and requested

246 to provide whatever assistance is necessary to accomplish the defeasance and redemption
247 of the 2016 Refunded Bonds.

248 The Escrow Agent is hereby authorized and directed to notify the fiscal agent of
249 the state of Washington to give notice of the defeasance and redemption of the 2016
250 Refunded Bonds in accordance with the applicable provisions of the ordinances
251 authorizing their issuance. The Finance Director is authorized and requested to provide
252 whatever assistance is necessary to accomplish the defeasance and redemption and the
253 giving of notices therefor. The costs of publication of the notices will be an expense of
254 the county.

255 The Escrow Agent is hereby authorized and directed to pay to the fiscal agent of
256 the state of Washington money sufficient to carry out the 2016 Refunding Plan. All such
257 money will be paid from the money deposited with the Escrow Agent in the Refunding
258 Account. All money so paid will be credited to the Refunding Account. All money
259 deposited with the Escrow Agent and any income therefrom will be held and applied in
260 accordance with the provisions of the Refunding Ordinance, the Escrow Deposit
261 Agreement and the laws of the state of Washington for the benefit of the county and the
262 registered owners of the 2016 Refunded Bonds.

263 3. **Findings.** The county council hereby finds and determines that the
264 issuance and sale of the 2016B Bonds at this time is in the best interest of the county and
265 the ratepayers of the System by modifying the debt service or reserve requirements,
266 sources of payment, covenants or other terms of the 2016 Refunded Bonds. In making
267 this finding and determination, the county council has given consideration to the interest
268 on and the fixed maturities of the 2016B Bonds allocated to the Refunding Plan and the

269 2016 Refunded Bonds and the costs of issuance of the 2016B Bonds and the known
270 earned income from the investment of the proceeds of sale of the 2016B Bonds allocated
271 to the Refunding Plan pending redemption and payment of the 2016 Refunded Bonds.

272 The county council hereby further finds and determines that the money to be
273 deposited with the Escrow Agent will be sufficient to defease and redeem the 2016
274 Refunded Bonds and will discharge and satisfy the obligations of the county with respect
275 to the 2016 Refunded Bonds under the ordinances authorizing their issuance and the
276 pledges of the county therein. Immediately upon the deposit of such money with the
277 Escrow Agent, the 2016 Refunded Bonds will be deemed not to be outstanding under the
278 ordinances authorizing their issuance and will cease to be entitled to any lien, benefit or
279 security under such ordinances except the right to receive payment from the money and
280 Acquired Obligations so set aside and pledged.

281 E. **Designation as Refunding Candidates.** The 2016B Bonds are hereby
282 designated as "Refunding Candidates" for purposes of the Refunding Ordinance.

283 F. **Continuing Disclosure Undertaking.** In accordance with Section 30 of
284 the Improvement Ordinance and Section 31 of the Refunding Ordinance, the county will
285 enter into an undertaking for continuing disclosure for the 2016B Bonds in substantially
286 the form described in the Official Statement for the 2016B Bonds.

287 G. **Further Authority.** The county officials and their agents, attorneys and
288 representatives are hereby authorized and directed to do everything necessary for the
289 prompt issuance and delivery of the 2016B Bonds and for the proper use and application
290 of the proceeds of sale of the 2016B Bonds.

291 H. **Severability.** If any provision in this motion is declared by any court of
292 competent jurisdiction to be contrary to law, then that provision will be null and void and
293 will be deemed separable from the remaining provisions of this motion and will in no
294 way affect the validity of the other provisions of this motion or of the 2016B Bonds.
295

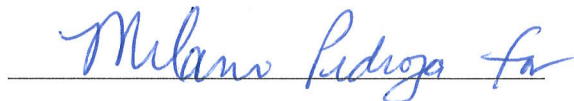
Motion 14731 was introduced on 9/12/2016 and passed as amended by the
Metropolitan King County Council on 9/12/2016, by the following vote:

Yes: 9 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr. Dunn,
Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles
and Ms. Balducci
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


J. Joseph McDermott, Chair

ATTEST:


Anne Noris, Clerk of the Council

Attachments: A. Bond Purchase Contract, B. Description of the Bonds, C. 2016 Refunded Bonds

KING COUNTY, WASHINGTON**\$499,655,000****SEWER IMPROVEMENT AND REFUNDING REVENUE BONDS, 2016, SERIES B****BOND PURCHASE CONTRACT**

September 12, 2016

King County, Washington
500 Fourth Avenue
Seattle, Washington 98104

To the Metropolitan King County Council:

Citigroup Global Markets Inc. (the "Representative"), on our own behalf and on behalf of J.P. Morgan Securities LLC, Siebert Cisneros Shank & Co., L.L.C., and Drexel Hamilton, LLC (together with the Representative, the "Underwriters"), offers to enter into this Bond Purchase Contract (the "Purchase Contract") with King County, Washington (the "County"). This offer is subject to the County's acceptance by execution and delivery of this Purchase Contract to the Representative at or prior to 8:00 p.m., Pacific Time, on the date first above written, and if not so accepted will be subject to withdrawal by the Underwriters upon notice delivered to the County by the Representative at any time prior to the County's acceptance hereof. Upon the County's acceptance of this offer in accordance with the terms hereof, this Purchase Contract will be binding on the County and the Underwriters.

Any capitalized terms used in this Purchase Contract and not otherwise defined herein have the meanings given those terms in the Bond Legislation (as defined in Section 3 of this Purchase Contract).

1. **Purchase and Sale.** On the terms and conditions and on the basis of the representations, warranties, covenants and agreements hereinafter set forth, the Underwriters agree to purchase from the County for offering to the public, and the County agrees to sell to the Underwriters for that purpose, all of the County's Sewer Improvement and Refunding Revenue Bonds, 2016, Series B, in the aggregate principal amount of \$499,655,000 (the "Bonds").

The Bonds will be dated the date of their delivery to the Underwriters, will bear interest payable January 1, 2017, and semiannually on each January 1 and July 1 thereafter until maturity or earlier redemption, at the rates, and will mature on July 1 in the years and principal amounts, all as set forth in Exhibit A hereto.

The purchase price for the Bonds is \$596,881,438.99, which represents the aggregate principal amount of the Bonds, plus an original issue premium of \$98,230,969.40, less underwriter's discount of \$1,004,530.41.

The County acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the County and the Underwriters, (ii) in connection with this transaction, each of the Underwriters is acting solely as a principal and not as an agent or a fiduciary of the County, (iii) the Underwriters have not assumed (individually or collectively) a fiduciary responsibility in favor of the County with respect to the offering of the Bonds or the process leading thereto (whether or not any Underwriter or any affiliate of any Underwriter has advised or is currently advising the County on other matters), (iv) the County has consulted with its own legal and financial advisors to the extent it has deemed appropriate in connection with the sale of the Bonds, and (v) the Underwriters have financial and other interests that differ from those of the County.

2. **Public Offering.** It is a condition to the County's obligation to sell and deliver the Bonds to the Underwriters that the entire \$499,655,000 aggregate principal amount of the Bonds will be purchased, accepted and paid for by the Underwriters at the Closing (as defined in Section 6), and it is a condition to the Underwriters' obligation to purchase, to accept delivery of and to pay for the Bonds that the entire \$499,655,000 aggregate principal amount of the Bonds will be issued, sold and delivered by the County at the Closing.

The Underwriters will make a bona fide initial public offering of all the Bonds, at prices no higher and yields no lower than those shown in the Official Statement. The Underwriters reserve the right to lower those initial offering prices as they deem necessary in connection with the marketing of the Bonds. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial public offering price or the prices set forth in the Official Statement. On or prior to the Closing, the Underwriters will provide the County with information regarding the reoffering prices to the public for purposes of determining the yield on the Bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The Underwriters reserve the right to: (i) over-allot or effect transactions that stabilize or maintain the market price of the Bonds at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice.

3. **The Bonds; Bond Legislation.** The Bonds will be issued in accordance with chapters 35.58 and 36.67 of the Revised Code of Washington ("RCW"), as amended, chapters 39.46 and 39.53 RCW, as amended, the County Charter, County Ordinances 18111 and 18116 (the "Bond Ordinances"), and a motion of the Metropolitan King County Council (the "County Council") approving this Purchase Contract and the issuance and sale of the Bonds passed on September 12, 2016 (the "Sale Motion"). Together, the Bond Ordinances and the Sale Motion are referred to in this Purchase Contract as the "Bond Legislation." The Bonds are being issued to finance the cost of capital improvements to the County's sewer system (the "System"), refund certain bonds of the County payable from revenues of the System (the "Refunded Bonds"), and pay costs of issuance of the Bonds, all as described in the Bond Legislation and the Official Statement (as defined herein).

4. **Preliminary and Final Official Statements.**

(a) The County ratifies, approves and confirms the distribution by the Underwriters of the Preliminary Official Statement of the County dated August 29, 2016

(together with the appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto, including the Addendum dated September 9, 2016, the "Preliminary Official Statement"), in connection with the public offering and sale of the Bonds by the Underwriters prior to the availability of the Official Statement. The County represents and warrants that the Preliminary Official Statement furnished to the Underwriters was deemed final by the County as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission ("SEC") promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for the omission of information permitted to be omitted by Rule 15c2-12.

(b) The County shall provide, or cause to be provided, to the Underwriters within seven business days after the date of this Purchase Contract (or within such shorter period as may be agreed by the County and the Representative or required by applicable rule), a final Official Statement, which shall be in the form of the Preliminary Official Statement with those changes reflecting the terms of this Purchase Contract and other changes as have been approved by the Representative (together with any appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto on or prior to the Closing, the "Official Statement"). The County shall provide enough copies of the Official Statement to permit the Underwriters to comply with Rule 15c2-12 and other applicable rules of the SEC and the Municipal Securities Rulemaking Board ("MSRB").

(c) The County authorizes the Representative to file, to the extent required by applicable SEC or MSRB rule, and the Representative agrees to file or cause to be filed, the Official Statement with (i) the MSRB or its designee (including submission to the MSRB's Electronic Municipal Market Access system ("EMMA")) or (ii) other repositories approved from time to time by the SEC (either in addition to or in lieu of the filings referred to above). If an amended Official Statement is prepared in accordance with Section 4(e) during the "primary offering disclosure period" (as defined in MSRB Rule G-32) and if required by applicable SEC or MSRB rule, the Representative will make the required submission of the amended Official Statement to EMMA.

(d) The Preliminary Official Statement and the Official Statement may be delivered in printed or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the County and the Representative.

(e) During the period ending on the 25th day after the End of the Underwriting Period (as defined herein) (or such other period as may be agreed to by the County and the Representative), the County (i) may not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Representative and (ii) must notify the Representative promptly if any event occurs, or information comes to the attention of the County, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Representative, the event requires the preparation and distribution of a supplement or amendment to the Official Statement, the County shall prepare and furnish to the Underwriters, at the County's expense, the number of copies of the supplement or amendment to the Official

Statement, in form and substance mutually agreed upon by the County and the Representative, as the Underwriters may reasonably request. If such notification is given after the Closing, the County also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

(f) For purposes of this Purchase Contract, the "End of the Underwriting Period" is used as defined in Rule 15c2-12 and will occur on the later of (A) the Closing or (B) when the Underwriters no longer retain an unsold balance of the Bonds. Unless otherwise advised in writing by the Representative on or prior to the Closing, or otherwise agreed to by the County and the Representative, the County may assume that the End of the Underwriting Period is the date of the Closing.

5. **Representations, Warranties, Covenants and Agreements of the County.** The County represents and warrants to and (as applicable) covenants and agrees with the Underwriters that, as of the date hereof:

(a) The County is a duly created and existing political subdivision of the State of Washington (the "State") and has all requisite legal right, power and authority (i) to enter into this Purchase Contract; (ii) to pass the Bond Legislation; (iii) to execute, issue, sell and deliver the Bonds as provided herein and to perform its obligations with respect thereto; (iv) to execute, deliver and perform this Purchase Contract, the Continuing Disclosure Undertaking dated as of the Closing (in the form summarized in the Preliminary Official Statement and the Official Statement, together, the "Continuing Disclosure Undertaking"), and the Escrow Deposit Agreement dated as of the Closing (the "Escrow Agreement"), by and between the County and U.S. Bank National Association, as escrow agent (the "Escrow Agent"); (v) to execute and deliver the Official Statement; and (vi) to consummate the transactions to which it is or is to be a party as contemplated by this Purchase Contract and by the Bond Legislation, the Bonds, the Continuing Disclosure Undertaking, the Escrow Agreement, and the Official Statement. The execution, delivery and performance of this Purchase Contract, the Bonds, the Continuing Disclosure Undertaking and the Escrow Agreement, the passage of the Bond Legislation, and the issuance of the Bonds thereunder, the execution and delivery by the County of the Official Statement and the use and distribution by the Underwriters of the Preliminary Official Statement and the Official Statement, and the consummation by the County of the transactions to which it is or is to be a party as contemplated by this Purchase Contract and by the Bond Legislation, the Bonds, the Continuing Disclosure Undertaking, the Escrow Agreement, and the Official Statement have been duly authorized by all necessary action on the part of the County.

(b) This Purchase Contract, the Continuing Disclosure Undertaking, the Escrow Agreement, the Official Statement, and the Bonds (when delivered and paid for at the Closing) have been or at the Closing shall be duly authorized, approved, executed, delivered and (in the case of the Bonds) registered and issued. This Purchase Contract constitutes, and the Bonds, when registered, issued, executed and delivered, and the Continuing Disclosure Undertaking and the Escrow Agreement (assuming due execution and delivery thereof by the Escrow Agent), when executed and delivered, will constitute, legal, valid and binding obligations of the County enforceable in accordance with their respective terms, except to the extent that enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights

and by the application of equitable principles and the exercise of judicial discretion in appropriate cases. The performance by the County of its obligations contained in this Purchase Contract, the Bond Legislation, the Bonds, the Continuing Disclosure Undertaking, and the Escrow Agreement and the consummation by it of all transactions contemplated by this Purchase Contract, the Bond Legislation, the Bonds, the Continuing Disclosure Undertaking, the Escrow Agreement, and the Official Statement to have been performed or consummated at or prior to the Closing, as the case may be, have been duly authorized and approved by the County. The Bond Legislation has been duly and lawfully passed by the County, is in full force and effect, and is valid and binding upon the County and enforceable in accordance with its terms, except to the extent that enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and by the application of equitable principles and the exercise of judicial discretion in appropriate cases. When delivered and paid for at the Closing, the Bonds will constitute valid, legally binding limited obligations of the County entitled to the benefits and security of, and subject only to the terms and conditions set forth in, the Bond Legislation and described in the Preliminary Official Statement and the Official Statement. The issuance of the Bonds is authorized by, and the Bonds when issued will be issued in compliance with, the provisions of the Bond Legislation.

(c) The County is not in material breach of, or in material default under, any indenture, bank loan or credit agreement, bond or note, nor is the County in default under any statute, ordinance, resolution or (in any material respect) any other agreement or instrument, regulation, order, decree, license, permit, judgment, ruling or law or constitutional provision to which the County is subject, which breach or default would adversely affect the validity or enforceability of the Bonds.

(d) The passage of the Bond Legislation, the execution, delivery and performance of this Purchase Contract, the Continuing Disclosure Undertaking, and the Escrow Agreement, the issuance and sale of the Bonds and the consummation of the transactions contemplated by this Purchase Contract and by the Bond Legislation, the Bonds, the Continuing Disclosure Undertaking, the Escrow Agreement, and the Official Statement will not, in any material respect, conflict with or constitute on the part of the County a material breach of or material default under any agreement, indenture, bond, note, statute, ordinance, resolution or other instrument to which the County is a party or to which it is bound or subject, which breach or default would adversely affect the validity or enforceability of the Bonds.

(e) Except as described in the Preliminary Official Statement and the Official Statement, no litigation or other action, suit, proceeding, inquiry or investigation before or by any court or agency or other administrative body (of either the State or the United States) is pending or, to the knowledge of the County, threatened, that in any way restrains or enjoins, or threatens or seeks to restrain or enjoin, the issuance, sale or delivery of the Bonds or in any way contests, questions or affects (i) the validity or enforceability of any provision of this Purchase Contract, the Bond Legislation, the Bonds, the Continuing Disclosure Undertaking, or the Escrow Agreement; (ii) the County's pledge under the Bond Legislation of the Revenue of the System and all money credited to the Parity Bond Fund; (iii) the accuracy, completeness or fairness of the Preliminary Official Statement or the Official Statement; or (iv) the legal existence of the County, the title of its elected officers to their respective offices, or the County's authority to perform its obligations hereunder or with respect to the Bonds, or to consummate

any of the transactions to which it is or is to be a party as contemplated by this Purchase Contract, the Bond Legislation, the Bonds, the Continuing Disclosure Undertaking, the Escrow Agreement, or the Official Statement; and to the best knowledge of the Finance Director, after due inquiry, there is no other event or circumstance that would have a material adverse effect on the power or ability of the County to perform its obligations hereunder or with respect to the Bonds or to consummate the transactions to which it is or is to be a party as contemplated by this Purchase Contract, the Bond Legislation, the Bonds, the Continuing Disclosure Undertaking, the Escrow Agreement, or the Official Statement.

(f) The Bonds and the Bond Legislation conform in all material respects to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement.

(g) As of the date thereof, the Preliminary Official Statement (except for information regarding The Depository Trust Company ("DTC") and its book-entry only system and the Underwriters) did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. However, no representation is given with respect to the information under the captions "THE BONDS — Book-Entry System," "LEGAL AND TAX INFORMATION — Tax Exemption" and "—Certain Other Federal Tax Consequences," and "OTHER BOND INFORMATION — Underwriters of the Bonds" and in Appendix F—"Book-Entry System."

(h) As of the date of this Purchase Contract, the Official Statement (except for information regarding DTC and its book-entry only system and the Underwriters) will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. However, no representation is given with respect to the information under the captions "THE BONDS — Book-Entry System," "LEGAL AND TAX INFORMATION — Tax Exemption" and "—Certain Other Federal Tax Consequences," and "OTHER BOND INFORMATION — Underwriters of the Bonds" and in Appendix F—"Book-Entry System."

(i) If the Official Statement is supplemented or amended pursuant to Section 4(e) hereof, at the time of each supplement or amendment thereto, the Official Statement as so supplemented or amended (except for information regarding DTC and its book-entry only system and the Underwriters) will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. However, no warranty is given with respect to the information under the captions "THE BONDS — Book-Entry System," "LEGAL AND TAX INFORMATION — Tax Exemption" and "—Certain Other Federal Tax Consequences," and "OTHER BOND INFORMATION — Underwriters of the Bonds" and in Appendix F—"Book-Entry System."

(j) Except as described in the Preliminary Official Statement and the Official Statement, the County does not intend to issue or incur, and the County is not aware of any plans to issue or incur, prior to the issuance of the Bonds, any other bonds, notes or other obligations for borrowed money the repayment of which is secured by a pledge of or lien on Revenue of the

System or any material liabilities, direct or contingent, that will have a material adverse effect on the financial condition of the System, nor does the County expect, prior to the issuance of the Bonds, there to be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the System.

(k) The Preliminary Official Statement and the Official Statement describe accurately and completely any instances in the previous five years in which the County failed to comply in all material respects with any of its previous undertakings to provide annual reports and notices of specified events in accordance with Rule 15c2-12.

(l) Except as described in the Preliminary Official Statement and the Official Statement, all approvals, consents and other actions by, and all filings or registrations with or notices to, any governmental or administrative authority or agency having jurisdiction in the matter required to be obtained by the County as a condition precedent to the performance by the County of its obligations under this Purchase Contract, the Bond Legislation, the Bonds, the Continuing Disclosure Undertaking, or the Escrow Agreement have been obtained and are in full force and effect (except no representation is made as to compliance with Blue Sky laws).

(m) The Underwriters may deem any certificate signed by any official of the County and delivered to the Representative as a representation and warranty by the County to the Underwriters as to the statements made therein.

(n) The County will furnish such information, execute such instruments and take such other action not inconsistent with law or established policy of the County in cooperation with the Underwriters as may be requested (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as may be designated by the Representative; and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, that the County shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction. The County consents to the use of this Purchase Contract, the Bond Legislation, the Continuing Disclosure Undertaking, the Escrow Agreement, and the Official Statement by the Underwriters in obtaining such qualifications.

(o) The financial statements of the County contained in the Preliminary Official Statement and the Official Statement fairly present the financial position of the System and the County as of the dates and for the periods therein set forth; those financial statements have been prepared in accordance with generally accepted accounting principles applicable to governmental entities in the State, except to the extent described therein; and, except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, there has been no material adverse change in the financial position or results of operations of the System or the County from the financial statements of the County contained in the Preliminary Official Statement and the Official Statement.

(p) The County will undertake, pursuant to the Continuing Disclosure Undertaking, to provide certain annual financial information and notices of the occurrence of

certain events, pursuant to paragraph (b)(5) of Rule 15c2-12. An accurate description of the Continuing Disclosure Undertaking is set forth in the Preliminary Official Statement and the Official Statement.

6. **Closing.** At 8:30 a.m., Pacific Time, on October 12, 2016, or at such other date or time as may be mutually agreed upon by the County and the Representative, the County will deliver or cause to be delivered (through DTC's FAST delivery system) to the Representative the Bonds duly executed by the County, together with the other documents described in Section 7(d), and the Representative will accept such delivery (through DTC's FAST delivery system) and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer, in an aggregate amount equal to that purchase price.

Payment for the Bonds as aforesaid and delivery of the documents described in Section 7(d) will be made at the offices of the County, in Seattle, Washington, or at such other place as may be mutually agreed upon by the County and the Representative. Such payment and delivery is herein called the "Closing." The Representative will order CUSIP identification numbers and the County will cause such CUSIP identification numbers to be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto will constitute cause for a failure or refusal by the Underwriters to accept delivery of and pay for the Bonds in accordance with the terms of this Purchase Contract. The Bonds will be prepared and delivered in registered form and will be registered in the name of Cede & Co., as nominee of DTC. Copies of the executed Bonds will be made available for checking by the Representative and its counsel not less than one business day prior to the Closing.

7. **Closing Conditions.** The obligations of the Underwriters hereunder are subject to the performance by the County of its obligations hereunder at or prior to the Closing and are also subject to the following conditions:

(a) The representations of the County contained in this Purchase Contract must be true, complete and correct at the date hereof and on and as of the date of Closing as if made on the date of Closing.

(b) At the time of the Closing, (i) the Bond Legislation and the Escrow Agreement must be in full force and effect, and must not have been amended, modified or supplemented since the date hereof, except as may be agreed to in writing by the Representative; and (ii) the County must perform or have performed its obligations required under or specified in this Purchase Contract, the Escrow Agreement, and the Bond Legislation to be performed at or prior to the Closing.

(c) At the time of the Closing, no material adverse change will have occurred in the business, operations or financial or physical condition of the System.

(d) At or prior to the Closing, the Representative must receive the following documents, in each case satisfactory in form and substance to the Representative and to its counsel, Stradling Yocca Carlson & Rauth, P.C.:

(1) The Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the County by the Finance Director;

(2) A certificate of the County's Prosecuting Attorney in substantially the form attached hereto as Exhibit B;

(3) Copies of the Bond Ordinances and the Sale Motion, each certified by the Clerk of the County Council as having been duly passed by the County Council and as being in full force and effect, with such changes or amendments as may have been agreed to in writing by the Representative;

(4) The final approving legal opinion of Foster Pepper PLLC, Bond Counsel, dated the date of Closing, in substantially the form attached to the Official Statement as Appendix B, together with a reliance letter addressed to the Underwriters;

(5) The supplemental opinion of Foster Pepper PLLC, Bond Counsel, addressed to the Underwriters and dated the date of Closing, in substantially the form attached hereto as Exhibit C, and a reliance letter addressed to the Underwriters with respect to any other opinions delivered by Bond Counsel in connection with the issuance of the Bonds;

(6) The opinion of Foster Pepper PLLC, Bond Counsel, dated the date of Closing, to the effect that the money and obligations set aside in the escrow deposit account pursuant to the Escrow Agreement to defease the Refunded Bonds are irrevocably set aside and pledged for such purpose, that the Refunded Bonds are legally defeased and deemed not to be outstanding under the ordinances pursuant to which they were issued, and that such defeasance will not cause interest on the Bonds or the Refunded Bonds to become included in gross income for federal tax purposes;

(7) An opinion of Stradling Yocca Carlson & Rauth, P.C., counsel to the Underwriters, dated the date of the Closing and addressed to the Underwriters, to the effect that (i) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the Bond Legislation is exempt from qualification under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and (ii) the Continuing Disclosure Undertaking, together with Section 5(p) of this Purchase Contract, satisfies the requirements contained in paragraph (b)(5) of Rule 15c2-12 for an undertaking for the benefit of the owners and beneficial owners of the Bonds to provide the information at the times and in the manner required by paragraph (b)(5) of Rule 15c2-12; in addition, such counsel shall state in its letter containing the foregoing opinions that, although such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or the Official Statement and makes no representation that such counsel has independently verified the accuracy, completeness or fairness of any such statements, in such counsel's capacity as Underwriters' counsel, to assist the Underwriters as part of their responsibilities with respect to the Preliminary Official Statement and the Official Statement, such counsel participated in conferences with representatives of the Underwriters and the County, the County's counsel and Financial Advisor, Bond Counsel, and others, during which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed, and based on such counsel's participation in such conferences and in reliance thereon and on the records, documents, certificates, opinions and matters set forth in such counsel's opinion, and as a matter of fact and not opinion, during the course of such counsel's representation of the Underwriters, no facts came to the attention of the

attorneys in such counsel's firm rendering legal services to the Underwriters in connection with the Preliminary Official Statement or the Official Statement that caused them to believe that the Preliminary Official Statement or the Official Statement, as of their dates and as of the date of Closing (except for any CUSIP numbers, financial, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion contained therein, and information regarding environmental matters, litigation, tax exemption, and DTC and its book-entry only system, and except for the appendices thereto, as to which such counsel need express no opinion or view), contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, that such opinion and representation may not be used, circulated, quoted or otherwise referred to or relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed;

(8) A certificate of the County, executed by the Finance Director or other authorized representative of the County, dated as of the Closing, to the effect that (A) the representations and warranties of the County contained in this Purchase Contract are true and correct in all material respects on and as of the Closing with the same effect as if made as of the Closing; (B) to the best knowledge of the Finance Director (or other authorized representative), as of the date of this Purchase Contract and as of the Closing, the Official Statement was and is true and complete in all material respects and did not and does not contain an untrue statement of a material fact or omit or fail to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no representation or warranty need be made with respect to the information contained under the captions "THE BONDS — Book-Entry System," "LEGAL AND TAX INFORMATION — Tax Exemption" and "—Certain Other Federal Tax Consequences," and "OTHER BOND INFORMATION — Underwriters of the Bonds" and in Appendix F—"Book-Entry System"); (C) the County is not in default as to any covenant, obligation or agreement contained in any ordinance or other proceeding relating to any obligations of the County for borrowed money payable from and secured by a pledge of and lien on the Revenue of the System; (D) all payments into all funds or accounts created and established for the payment and security of all outstanding obligations of the County for borrowed money payable from and secured by a pledge of and lien on the Revenue of the System have been made in full and the amounts on deposit in such funds or accounts are the amounts then required to be deposited therein; (E) to the best knowledge of the Finance Director (or other authorized representative), the County has never defaulted in the payment of principal of or interest on any of its obligations for borrowed money payable from and secured by a pledge of and lien on the Revenue of the System; and (F) the County has complied in all material respects with all agreements and satisfied in all material respects all conditions contemplated by this Purchase Contract, the Bond Legislation and the Escrow Agreement on its part to be performed or satisfied at or prior to the delivery of the Bonds;

(9) An incumbency certificate of the Escrow Agent;

(10) A Blue Sky Memorandum prepared by counsel to the Underwriters and addressed to the Underwriters;

(11) A written report prepared by Causey Demgen & Moore P.C. verifying the accuracy of certain mathematical computations with respect to the refunding of the Refunded Bonds;

(12) A tax certificate and IRS Form 8038-G in form satisfactory to Bond Counsel and duly executed by the County;

(13) The Letter of Representations, executed by the County and accepted by DTC;

(14) A complete transcript of all proceedings relating to the authorization and issuance of the Bonds;

(15) Evidence satisfactory to the Representative that Moody's Investors Service and S&P Global Ratings have assigned ratings of "Aa2" and "AA+," respectively, to the Bonds; and

(16) Such additional legal opinions, certificates, instruments and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing of the representations and warranties of the County contained in Section 5 of this Purchase Contract and the due performance or satisfaction by the County at or prior to such time of all covenants and agreements then to be performed and all conditions then to be satisfied by the County pursuant to this Purchase Contract.

8. **Termination.** The Representative may terminate this Purchase Contract, without liability therefor, by notice to the County if at any time after the date of this Purchase Contract and at or prior to the Closing, in the Representative's sole and reasonable judgment, any of the following events occurs (each a "Termination Event"):

(a) the market price or marketability of the Bonds, or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds, are materially adversely affected by any of the following events:

(i) legislation is enacted by the Congress of the United States or the legislature of the State or is favorably reported out of committee of either body or pending in committee of either body, or is recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision is rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement is made or proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Bonds; or

(ii) there occurs (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war, (2) any other calamity or crisis in the financial markets of the United States or elsewhere, (3) a downgrade of the sovereign debt rating of the United States by any major credit rating agency or a payment default on United

States Treasury obligations, or (4) a default with respect to the debt obligations of any state of the United States; or

(iii) a general suspension of trading on the New York Stock Exchange or other major exchange, or minimum or maximum prices for trading are fixed and in force, or maximum ranges for prices for securities are required and in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or

(iv) legislation is enacted by the Congress of the United States or is favorably reported out of committee or pending in committee, or is recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States is rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter is made, to the effect that any obligations of the general character of the Bonds or the Bond Legislation, or any comparable obligations of the County, are not exempt from the registration, qualification or other requirements of the Securities Act or the Trust Indenture Act, or would be in violation of any provision of the federal securities laws; or

(v) except as disclosed in or contemplated by the Official Statement, any material adverse change occurs in the financial affairs of the System; or

(vi) any rating of bonds, notes or other obligations of the County secured by a pledge of or lien on Revenue of the System (including, without limitation, the Bonds) is downgraded, suspended or withdrawn, or a negative credit watch is publicly announced, by Moody's Investors Service or S&P Global Ratings; or

(b) any event or circumstance exists that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriters) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the County refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds; or

(c) a general banking moratorium is declared by federal or State authorities having jurisdiction and is in force; or

(d) a material disruption occurs in securities settlement, payment or clearance services affecting the Bonds; or

(e) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters is established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(f) a decision by a court of the United States is rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter is issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Purchase Contract or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing, including the Securities Act, the Securities Exchange Act of 1934, as amended, and the Trust Indenture Act.

Upon the occurrence of a Termination Event and the termination of this Purchase Contract by the Representative, all obligations of the County and the Underwriters under this Purchase Contract shall terminate, without further liability, except that the County and the Underwriters shall pay their respective expenses as set forth in Section 9.

9. **Expenses.** The Underwriters are under no obligation to pay and the County will pay or cause to be paid the expenses incident to the performance of the County's obligations hereunder including but not limited to (a) the cost of preparing the Bond Legislation; (b) the fees and disbursements of Foster Pepper PLLC, the Escrow Agent, the Verification Agent, the Financial Advisor, and any other experts or consultants retained by the County; (c) the costs of preparing, printing and signing the Bonds and the cost of registration of the Bonds; (d) the cost of preparing and printing the Preliminary Official Statement and the Official Statement and any supplements or amendments thereto; (e) charges of rating agencies for the ratings of the Bonds; and (f) expenses (included in the expense component of the spread) incurred on behalf of County employees that are directly related to the offering of the Bonds, including, but not limited to, meals, transportation and lodging. The Underwriters shall pay (from the expense component of the spread) (1) the cost of preparing any Blue Sky and legal investment memoranda to be used by them, (2) all advertising expenses incurred by them in connection with the public offering of the Bonds, (3) the fees and disbursements of Stradling Yocca Carlson & Rauth, P.C., counsel to the Underwriters and the fees of Digital Assurance Certification, L.L.C. for a review of continuing disclosure compliance, and (4) all other expenses incurred by them in connection with their public offering and distribution of the Bonds.

10. **Representations, Warranties and Agreements of Underwriters.** The Underwriters represent and warrant to and agree with the County that the Underwriters are authorized to take any action under this Purchase Contract required to be taken by the Underwriters. The Underwriters represent that they are duly organized, validly existing and in good standing under the laws of the jurisdictions of their organization and are licensed by and registered with the Financial Industry Regulatory Authority as broker-dealers and with the MSRB as municipal bond dealers.

11. **Indemnification.** To the extent permitted by law, the County shall indemnify and hold harmless the Underwriters, each of their respective partners, members, officers and employees and each person who controls any Underwriter within the meaning of Section 15 of the Securities Act (each, an "Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it

and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon (i) a determination that the Bonds should have been registered under the Securities Act or the Bond Legislation should have been qualified under the Trust Indenture Act, or (ii) any untrue statement of a material fact contained in the Official Statement or any supplement thereto, or the omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The indemnity as described in this paragraph is limited to such losses or damages as are directly the result of the acts or omissions of the County and, should any Indemnified Party make a claim for indemnity under this Purchase Contract, the County shall have the right to (i) retain counsel to defend any such action and (ii) control and direct any defense of such claims in such action. This indemnity shall not be construed as a limitation on any other liability that the County may otherwise have to any Indemnified Party; provided, that in no event shall the County be obligated for double indemnification.

12. **Notices.** Any notice or other communication to be given to the County under this Purchase Contract (other than the acceptance hereof as specified in Section 1 hereof) may be given by delivering the same in writing to the Finance Director, King County Department of Finance, 500 Fourth Avenue ADM-FI-0611, Seattle, Washington 98104; any notice or other communication to be given to the Representative or the Underwriters under this Purchase Contract may be given by delivering the same in writing to Citigroup Global Markets Inc., 601 Union Street, Suite 3705, Seattle, Washington 98101, Attention: Ben Selberg, Director.

13. **Governing Law.** The validity, interpretation and performance of this Purchase Contract are governed by the laws of the State.

14. **Parties in Interest.** This Purchase Contract, when accepted by the County in writing as heretofore specified, shall constitute the entire agreement between the County and the Underwriters and is solely for the benefit of the County and the Underwriters (including the successors and assigns thereof). No other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the County in this Purchase Contract shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of the Underwriters, (b) delivery of and payment for the Bonds hereunder, and (c) any termination of this Purchase Contract.

15. **Entire Agreement.** This Purchase Contract constitutes the entire agreement between the parties hereto with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties. This Purchase Contract shall only be amended, supplemented or modified in a writing signed by both of the parties hereto.

16. **Headings.** The headings of the Sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

17. **Counterparts.** This Purchase Contract may be executed in several counterparts, which together will constitute one and the same instrument.

CITIGROUP GLOBAL MARKETS INC.,
as Representative of the Underwriters

By: _____
Director

Accepted by the Director of Finance and Business
Operations Division, Department of Executive
Services, on September 12, 2016, at _____ p.m.

KING COUNTY, WASHINGTON

By: _____
Director of Finance and Business Operations
Division, Department of Executive Services

EXHIBIT A

\$499,655,000

KING COUNTY, WASHINGTON
SEWER IMPROVEMENT AND REFUNDING REVENUE BONDS, 2016, SERIES B

True Interest Cost. 3.145299%

Maturity	Principal Amount	Interest Rate	Initial Reoffering Yield
7/1/2017	\$ 3,490,000	5.00%	0.665%
7/1/2018	1,965,000	5.00	0.760
7/1/2019	2,195,000	5.00	0.850
7/1/2020	2,340,000	5.00	0.970
7/1/2021	1,560,000	5.00	1.080
7/1/2022	9,200,000	5.00	1.180
7/1/2023	17,455,000	5.00	1.350
7/1/2024	17,995,000	5.00	1.460
7/1/2025	18,845,000	5.00	1.560
7/1/2026	19,850,000	5.00	1.670
7/1/2027	15,885,000	5.00	1.780 ⁽³⁾
7/1/2028	16,610,000	5.00	1.880 ⁽³⁾
7/1/2029	17,455,000	5.00	1.950 ⁽³⁾
7/1/2030	25,175,000	4.00	2.210 ⁽³⁾
7/1/2031	29,920,000	4.00	2.280 ⁽³⁾
7/1/2032	25,950,000	4.00	2.360 ⁽³⁾
7/1/2033	25,915,000	4.00	2.410 ⁽³⁾
7/1/2034	30,065,000	4.00	2.470 ⁽³⁾
7/1/2035	7,070,000	5.00	2.290 ⁽³⁾
7/1/2036	12,610,000	5.00	2.330 ⁽³⁾
7/1/2038 ⁽¹⁾	29,810,000	5.00	2.390 ⁽³⁾
7/1/2039 ⁽¹⁾	42,595,000	5.00	2.160 ⁽⁴⁾
7/1/2041 ⁽¹⁾⁽²⁾	8,500,000	5.00	2.450 ⁽³⁾
7/1/2041 ⁽¹⁾⁽²⁾	35,100,000	4.00	2.750 ⁽³⁾
7/1/2046 ⁽¹⁾	47,410,000	5.00	2.500 ⁽³⁾
7/1/2049 ⁽¹⁾	34,690,000	5.00	2.530 ⁽³⁾
\$ 499,655,000			

⁽¹⁾ Term Bonds, subject to mandatory redemption.

⁽²⁾ Bifurcated maturity.

⁽³⁾ Priced to the call date of 7/1/2026.

⁽⁴⁾ Priced to the call date of 7/1/2023.

Redemption. The Bonds are subject to optional and mandatory redemption as provided in the Sale Motion.

EXHIBIT B**Certificate of the King County Prosecuting Attorney**

I, Kevin Wright, the duly appointed and qualified Chief Civil Deputy Prosecuting Attorney of King County, Washington (the "County"), in connection with the issuance by the County of its Sewer Improvement and Refunding Revenue Bonds, 2016, Series B, in the aggregate principal amount of \$499,655,000 (the "Bonds"), DO HEREBY CERTIFY as follows:

1. That as of the time and date written below, to the best of my knowledge, there is no litigation pending or threatened affecting the issuance and delivery of the Bonds, the collection of revenues pledged to pay the principal thereof and interest thereon, or in any manner questioning or contesting the proceedings and authority under which the Bonds are issued, the validity of the Bonds, the corporate existence or boundaries of the County, or the title of the present officers to their respective offices, which litigation would prevent the payment by the County of the principal of or interest on the Bonds when due.

2. That as of the time and date written below, no authority or proceedings for the issuance of the Bonds has or have been repealed, revoked or rescinded.

3. That as of the time and date written below, the statements contained in the Official Statement relating to the Bonds dated September 12, 2016, under the captions "LEGAL AND TAX INFORMATION — Litigation" insofar as such statements purport to summarize litigation affecting the County, present a fair and accurate summary of that litigation, and are true and correct.

DATED: [Date of Closing], at _____ a.m.

For DAN SATTERBERG,
King County Prosecuting Attorney

By: _____
Kevin Wright
Chief Civil Deputy

EXHIBIT C

[Letterhead of Foster Pepper PLLC]

[Date of Closing]

King County, Washington

Citigroup Global Markets Inc.
Seattle, Washington

J.P. Morgan Securities LLC
Seattle, Washington

Siebert Cisneros Shank & Co., L.L.C.
Seattle, Washington

Drexel Hamilton, LLC
San Francisco, California

Re: King County, Washington
Sewer Improvement and Refunding Revenue Bonds, 2016, Series B

We have served as bond counsel to King County, Washington (the "County"), in connection with the issuance of the above-referenced bonds (the "Bonds"). This letter is delivered to you pursuant to Section 7(d)(5) of the Bond Purchase Contract dated September 12, 2016 (the "Purchase Contract"), between the County and Citigroup Global Markets Inc., on behalf of itself and as representative of the underwriters named therein (together, the "Underwriters").

In connection with the issuance of the Bonds, we have examined a certified transcript of proceedings had by the County relating to the issuance of the Bonds, including Ordinances 18111 and 18116, and Motion _____ passed on September 12, 2016 (together, the "Bond Legislation"), and such other documents as we have deemed necessary to deliver this letter. As to matters of fact material to this letter, we have relied upon representations contained in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation. Reference is made to the Purchase Contract for the definitions of capitalized terms used and not otherwise defined herein.

Based upon the foregoing, as of the date hereof, it is our opinion that under existing law:

1. The County has all requisite right, power and authority to execute and deliver the Purchase Contract, the Escrow Agreement, and the Continuing Disclosure Undertaking, to perform its obligations thereunder and to carry out the transactions contemplated thereby.
2. The County has duly passed the Bond Legislation and has duly authorized, executed and delivered the Purchase Contract, the Escrow Agreement, and the Continuing Disclosure Undertaking, and the Bond Legislation, Purchase Contract, Escrow Agreement, and Continuing Disclosure Undertaking constitute legal, valid and binding obligations of the County

enforceable in accordance with their terms except to the extent that the enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and by the application of equitable principles and the exercise of judicial discretion in appropriate cases.

3. The County has duly authorized the Finance Director to deem the Preliminary Official Statement final in accordance with Rule 15c2-12 and to approve and execute the Official Statement.

4. The Bonds are entitled to the benefits and security provided by the Bond Legislation.

5. The Bond Legislation creates the valid pledges of and liens on Revenue of the System that it purports to create.

6. No consent or approval of, or registration or filing with, any commission, board, authority, body or instrumentality of the State is or was required in connection with any of the actions of the County taken in regard to the approval of the Bonds, except those consents, approvals, registrations or filings that have been obtained on or prior to this date, nor is any election or referendum of voters required in connection therewith; provided, however, that no opinion is provided with respect to compliance with any Blue Sky laws.

7. The Bonds and their offer and sale are exempt from the registration requirements of the Securities Act of 1933, as amended, and the Bond Legislation is exempt from qualification under the Trust Indenture Act of 1939, as amended.

8. To the best of our knowledge, the execution and delivery by the County of the Bonds, the Purchase Contract, the Escrow Agreement, and the Continuing Disclosure Undertaking, and the passage by the County of the Bond Legislation and compliance with the provisions on the County's part contained therein, will not conflict with or constitute a material breach of or default under any State constitutional provision, State law applicable to the County, or bond ordinance of the County.

9. The statements contained in the Preliminary Official Statement and in the Official Statement (except for information regarding DTC and its book-entry only system) under the captions "THE BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "INITIATIVES AND REFERENDA," "LEGAL AND TAX INFORMATION—Limitations on Remedies and Municipal Bankruptcy," "—Tax Exemption," and "—Certain Other Federal Tax Consequences," and "CONTINUING DISCLOSURE UNDERTAKING," and in Appendix A—"Summary of Bond Ordinance," and Appendix B—"Form of Bond Counsel Opinion," to the extent that such statements purport to describe certain provisions of the Bonds, the Continuing Disclosure Undertaking, the Bond Legislation, state law, and federal tax law, such statements provide accurate summaries of those portions of the documents, state law, and federal tax law purported to be described; provided, however, that those summaries do not purport to summarize all the provisions of and are qualified in their entirety by, the complete documents that are summarized.

10. Although we have not verified and are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of any of the statements contained in

the Preliminary Official Statement or the Official Statement (except to the extent expressly set forth in paragraph 9 above), and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements (except to the extent expressly set forth in paragraph 9 above), based on our participation in conferences during which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed, and without making inquiry of other attorneys in our firm not working directly on the issuance of the Bonds who may have information material to the issue, as a matter of fact and not opinion, during the course of such representation no facts came to the attention of the attorneys in the firm rendering legal services in connection with such representation that caused them to believe that the Preliminary Official Statement, as of its date (except for the omission of information permitted to be omitted by Rule 15c2-12) or the Official Statement as of its date and as of the date of Closing (except for any financial, engineering or statistical data or forecasts, numbers, estimates, assumptions or expressions of opinion included therein and information regarding DTC and its book-entry only system and except for Appendices C, D, E and F thereof) contained or contains any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

We consent to references to our firm contained in the Preliminary Official Statement and the Official Statement.

This letter is delivered on the date hereof, and we assume no obligation to revise or supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or changes in law that may hereafter occur.

We are members of the bar of the State of Washington. This letter is limited to matters involving the federal laws of the United States (subject to current interpretations, if any, of the United States Supreme Court and the United States Court of Appeals for the Ninth Circuit) and the laws of the State of Washington, and we do not express any opinion as to the laws of any other jurisdictions.

No attorney-client relationship has existed or exists between our firm and the Underwriters in connection with the Bonds or by virtue of this letter.

We bring to your attention the fact that this letter is an expression of our professional judgment on the matters expressly addressed and does not constitute a guarantee of result.

This letter is being delivered solely to the addressees hereof in connection with the issuance of the Bonds and may not be relied on by any addressee hereof for any other purpose or by any other person for any purpose without our prior written consent.

ATTACHMENT B**DESCRIPTION OF THE BONDS**

- (a) Principal Amount: \$499,655,000
- (b) Purchase Price: \$596,881,438.99, representing the stated principal amount of the Bonds, plus a premium of \$98,230,969.40, less an underwriters' discount of \$1,004,530.41.
- (c) Interest Payment Dates: January 1 and July 1, commencing January 1, 2017.
- (d) Maturity and Interest Rates: The Bonds shall mature on the dates and bear interest at the rates (computed on the basis of a 360-day year of twelve 30-day months), as follows:

Maturity Date (July 1)	Principal Amount	Interest Rate	Maturity Date (July 1)	Principal Amount	Interest Rate
2017	\$ 3,490,000	5.00%	2030	\$25,175,000	4.00%
2018	1,965,000	5.00	2031	29,920,000	4.00
2019	2,195,000	5.00	2032	25,950,000	4.00
2020	2,340,000	5.00	2033	25,915,000	4.00
2021	1,560,000	5.00	2034	30,065,000	4.00
2022	9,200,000	5.00	2035	7,070,000	5.00
2023	17,455,000	5.00	2036	12,610,000	5.00
2024	17,995,000	5.00	2038 ⁽¹⁾	29,810,000	5.00
2025	18,845,000	5.00	2039 ⁽¹⁾	42,595,000	5.00
2026	19,850,000	5.00	2041 ⁽¹⁾⁽²⁾	8,500,000	5.00
2027	15,885,000	5.00	2041 ⁽¹⁾⁽²⁾	35,100,000	4.00
2028	16,610,000	5.00	2046 ⁽¹⁾	47,410,000	5.00
2029	17,455,000	5.00	2049 ⁽¹⁾	34,690,000	5.00

(1) Term Bonds.

(2) Bifurcated maturity.

- (e) **Optional Redemption:** The county reserves the right to redeem outstanding Bonds maturing on July 1, 2039, in whole or in part, at any time on or after July 1, 2023, at the price of par plus accrued interest, if any, to the date fixed for redemption.
- In addition, the county reserves the right to redeem outstanding Bonds maturing on or after July 1, 2027, in whole or in part, at any time on or after July 1, 2026, at the price of par plus accrued interest, if any, to the date fixed for redemption.
- (f) **Mandatory Sinking Fund Redemption.** The Bonds stated to mature on July 1, 2038 are Term Bonds and, if not redeemed as described above or purchased under the provisions described in the Ordinances, are to be redeemed by the county at par plus accrued interest on July 1 in the years and amounts as follows:

Term Bonds Stated to Mature on July 1, 2038

<u>Years</u>	<u>Amounts</u>
2037	\$13,275,000
2038 ⁽¹⁾	16,535,000

(1) Maturity.

The Bonds stated to mature on July 1, 2039 are Term Bonds and, if not redeemed as described above or purchased under the provisions described in the Ordinances, are to be redeemed by the county at par plus accrued interest on July 1 in the years and amounts as follows:

Term Bonds Stated to Mature on July 1, 2039

<u>Years</u>	<u>Amounts</u>
2035	\$7,690,000
2036	8,085,000
2037	8,495,000
2038	8,935,000
2039 ⁽¹⁾	9,390,000

(1) Maturity.

The Bonds stated to mature on July 1, 2041 bearing interest at 5.00% are Term Bonds and, if not redeemed as described above or purchased under the provisions described in the Ordinances, are to be redeemed by the county at par plus accrued interest on July 1 in the years and amounts as follows:

Term Bonds Stated to Mature on July 1, 2041 (Bearing Interest at 5.00%)

<u>Years</u>	<u>Amounts</u>
2039	\$2,835,000
2040	2,835,000
2041 ⁽¹⁾	2,830,000

(1) Maturity.

The Bonds stated to mature on July 1, 2041 bearing interest at 4.00% are Term Bonds and, if not redeemed as described above or purchased under the provisions described in the Ordinances, are to be redeemed by the county at par plus accrued interest on July 1 in the years and amounts as follows:

Term Bonds Stated to Mature on July 1, 2041 (Bearing Interest at 4.00%)

<u>Years</u>	<u>Amounts</u>
2039	\$ 14,495,000
2040	15,265,000
2041 ⁽¹⁾	5,340,000

(1) Maturity.

The Bonds stated to mature on July 1, 2046 are Term Bonds and, if not redeemed as described above or purchased under the provisions described in the Ordinances, are to be redeemed by the county at par plus accrued interest on July 1 in the years and amounts as follows:

Term Bonds Stated to Mature on July 1, 2046

<u>Years</u>	<u>Amounts</u>
2042	\$ 8,560,000
2043	9,000,000
2044	9,460,000
2045	9,940,000
2046 ⁽¹⁾	10,450,000

(1) Maturity.

The Bonds stated to mature on July 1, 2049 are Term Bonds and, if not redeemed as described above or purchased under the provisions described in the Ordinances, are to be redeemed by the county at par plus accrued interest on July 1 in the years and amounts as follows:

Term Bonds Stated to Mature on July 1, 2049

<u>Years</u>	<u>Amounts</u>
2047	\$10,990,000
2048	11,555,000
2049 ⁽¹⁾	12,145,000

(1) Maturity.

ATTACHMENT C**2016 REFUNDED BONDS****REFUNDED 2006 BONDS**

Maturity Date (January 1)	Principal Amount
2018	\$ 4,560,000
2019	3,090,000
2020	3,225,000
2021 ⁽²⁾	930,000
2021 ⁽²⁾	2,470,000
2022	2,450,000
2023	2,580,000
2024	6,975,000
2025	7,375,000
2026 ⁽²⁾	765,000
2026 ⁽²⁾	6,995,000
2031 ⁽¹⁾	47,555,000
2036 ^{(1) (2)}	1,125,000
2036 ^{(1) (2)}	30,800,000

(1) Term Bonds.

(2) Bifurcated maturity.

REFUNDED 2010 BONDS

Maturity Date (January 1)	Principal Amount
2036 ^{(1) (2)}	\$ 3,715,000
2040 ^{(1) (2)}	26,425,000
2045 ^{(1) (2)}	45,535,000
2050 ^{(1) (2)}	58,105,000

(1) Term Bonds.

(2) Partial maturity.

REFUNDED 2011 BONDS

Maturity Date (January 1)	Principal Amount
2023	\$ 4,560,000
2024	4,790,000
2025	5,030,000
2026	5,280,000
2027	5,545,000
2028 ⁽¹⁾	3,490,000
2029 ⁽¹⁾	3,665,000
2030 ⁽¹⁾	3,845,000
2031 ⁽¹⁾	4,040,000
2032 ⁽¹⁾	4,245,000
2034 ^{(1) (2)}	9,200,000
2037 ^{(1) (2)}	15,785,000
2041 ^{(1) (2)}	28,660,000

(1) Partial maturity.

(2) Term Bonds.

REFUNDED 2011B BONDS

Maturity Date (January 1)	Principal Amount
2023 ^{(2) (3)}	\$ 3,050,000
2024 ⁽³⁾	6,525,000
2025 ⁽³⁾	6,450,000
2026 ^{(2) (3)}	6,685,000
2027 ⁽³⁾	7,045,000
2028 ⁽³⁾	4,855,000
2029 ⁽³⁾	4,995,000
2030 ⁽³⁾	5,205,000
2031 ⁽³⁾	10,240,000
2034 ^{(1) (3)}	48,890,000
2041 ^{(1) (3)}	18,010,000

(1) Term Bonds.

(2) Bifurcated maturity.

(3) Partial maturity.

REFUNDED 2011C BONDS

Maturity Date (January 1)	Principal Amount
2035 ⁽¹⁾	\$15,960,000

(1) Partial maturity.